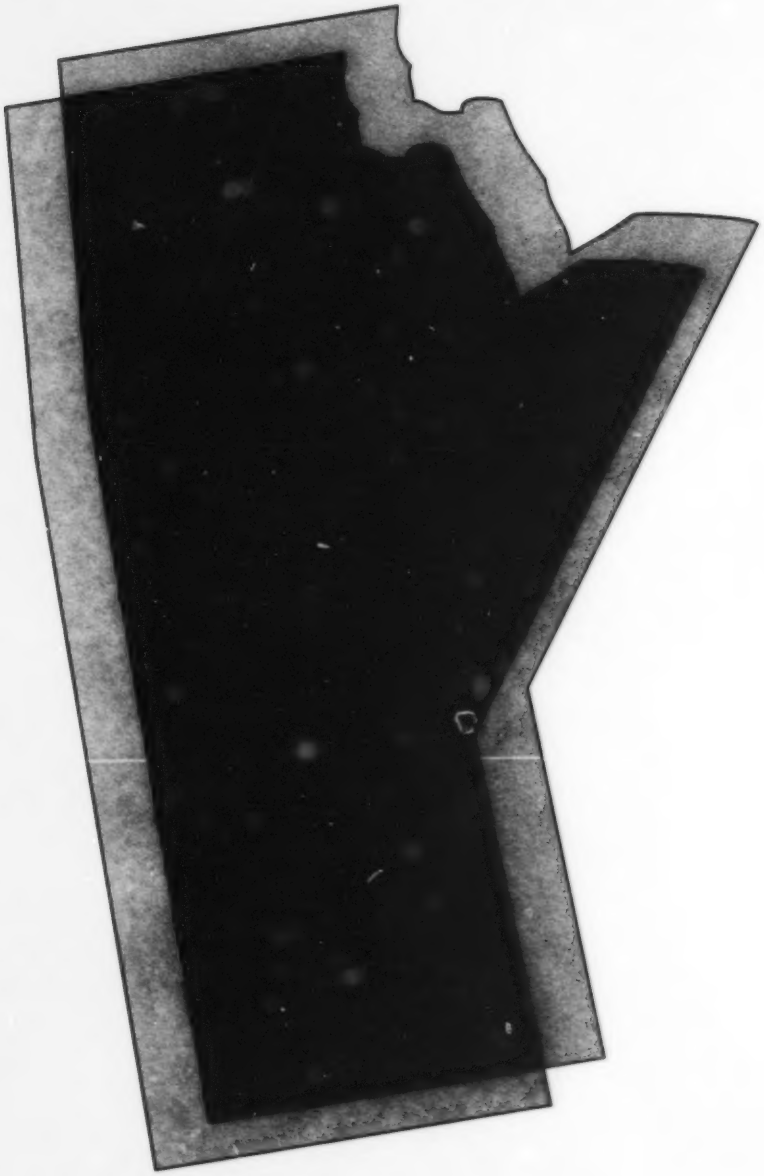
CROWN CORPORATIONS COUNCIL

A MANITOBA CROWN CORPORATION



3rd ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1991

92-06258/

MANDATE

***Duties of Council**

The Council shall

(a) facilitate, in co-operation with each corporation, the development of a clearly defined mandate and a clear statement of purpose for the corporation;

(b) facilitate, in co-operation with each corporation, the development of consistent and effective criteria for measuring the corporation's performance;

(c) review long term corporate plans and capital expenditure proposals of corporations, ensure consistent practices among two or more corporations where appropriate and provide any advice to the Lieutenant Governor in Council on those plans, proposals and practices or any other matter of policy affecting corporations that may be requested by the Lieutenant Governor in Council;

(d) receive and hear submissions from any person who, in the opinion of the Council, has knowledge respecting any aspect of a corporation's activities regarding alleged failures by the corporation to comply with any Act or any policy of the Council.

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CROWN CORPORATIONS COUNCIL

MEMBERS OF COUNCIL

Members		Principal Occupation
Kevin P. Kavanagh	Chairman	President and CEO Great-West Lifeco Inc.
***Carol A. Hendrickson	Vice-Chair	Life Underwriter Imperial Life Assurance Co. Brandon, Manitoba
*Barrie D. Brooks	Member	General Manager Borland Construction (1989) Limited
George Chuchman	Member	Assistant Professor of Economics, University of Manitoba
**William Mackness	Member	Dean, Faculty of Management University of Manitoba
Barbara J. McFarlane	Member	Barrister Buchwald Asper Henteleff
****James G. Oborne	Member	President Westgate Capital Management Ltd.
J. Douglas Sherwood	Member (ex officio)	President and CEO Crown Corporations Council

EXECUTIVE OFFICERS

J. Douglas Sherwood ..... President & Chief Executive Officer

Jon W. Singleton ..... Vice-President, Finance

Ken A. Earl ..... Vice-President, Human Resources

Head Office
320 - 530 Kenaston Boulevard, Winnipeg, Manitoba
Telephone: (204) 949-5270 Fax: (204) 949-5283

*Chair, Audit Committee
**Chair, Planning & Compensation Committee
***Member, Planning & Compensation Committee
****Member, Audit Committee

LETTER OF TRANSMITTAL

The Honourable Clayton S. Manness
Minister Responsible for
Crown Corporations Council
Province of Manitoba
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Manness:

I have the honour to submit for your consideration the Third Annual Report of the Crown Corporations Council for the year ended December 31, 1991.

Yours truly,

K. P. Kavanagh

Kevin P. Kavanagh
Chairman

May 8, 1992

CROWN CORPORATIONS COUNCIL

CHAIRMAN'S MESSAGE

1991 was my first full year as Chairman of the Crown Corporations Council. It was a year which saw Council build on the knowledge of Crown corporations acquired through meetings with every Crowns' key officials. The special Board meeting in January 1991 was particularly gratifying because it clearly demonstrated the depth of the Board's understanding of the strategic issues facing each Crown. I believe that Council has been consistently adding increasing value to Crowns because of this enhanced knowledge of Crown issues.

As the President has noted in his report, the staff complement of Council was filled in the latter part of 1992. The level of familiarity of the Board with Crown issues together with the presence of a full complement of dedicated and professional staff has positioned Council well to meet the challenges of 1992 and beyond.

I would like to take this opportunity to express the thanks of the Board to all the Crown officials with whom we have met. I would also like to express our appreciation to the staff of Council who have been truly diligent in their efforts to assist the Board in grappling with the many diverse issues that come before it.

I cannot close this report without a special word of thanks to Bill Emerson who retired as President & CEO of Council at the end of 1991. Bill did an amazing job of transforming Council from a piece of legislation in 1989 into the vibrant and credible organization it has become.

I welcome our new President, Douglas Sherwood to Council. Douglas has several years experience in working with both large and small companies in diverse industries in the private sector and I am sure he will make a significant contribution to the achievement of Council's objectives.

I am proud to be associated with the Council and look forward to working with the Crowns as we strive to achieve Council's mandate of improved accountability and performance at Manitoba Crowns.

K. P. Kavanagh

Chairman

PRESIDENT'S REPORT ON COUNCIL ACTIVITIES

1991 was a year of continued building for Council. It was not until the third quarter that its full staff complement of six professional and two administrative support personnel was filled. Despite this, it is clear from the accomplishments reflected in this report that 1991 was a busy and productive year for Council.

Council consolidated its understanding of the mandates and strategic issues facing each of the Crowns. The second round of Board meetings with key officials of each Crown became more focused and directed so that Council was able to add significant value to the planning process at several Crowns.

I draw your attention to the "Activities" section reflected in the Annual Report. The change in format is designed to enable the reader to understand the activities of Council in each of its three key areas: that of adviser to government; that of a resource to Crown corporations; and that of receiving and reviewing allegations from the public of failure by a Crown corporation to adhere to its legislation and the policies of Council.

We plan to build on the solid foundation established by Council since its inception in mid 1989. In particular, it is my intention to significantly increase Council's role in the area of providing value to the Crown corporations with which we deal. As an independent, objective and professional body, we are in a unique position to do so.

My initial impressions are that Manitoba Crown corporations are generally well managed by dedicated and skilled professionals. I look forward with anticipation to working closely with each of the Crowns and government. Through our mutual efforts we can continue to strengthen the performance of Manitoba Crown corporations and position them to meet the challenges of the future efficiently and effectively, while providing the Manitoba public with the high quality of service it deserves.

D. Sherwood

President & CEO

ACTIVITIES
for the year ended December 31, 1991

INTRODUCTION

The activities of Council can be broadly classified into three categories:

1. **Advisory/Monitoring**

   Council provides advice to Government with respect to mandates, strategic plans, capital and operating plans and the overall corporate performance of Crown corporations. In this respect, Council plays a "watchdog" role, providing assurance to Government that strategic issues are being appropriately addressed or alerting Government to potential difficulties requiring attention.

2. **Resource**

   Council provides advice and, in some cases, staff assistance to Boards, executives and senior managers of Crown corporations on managerial and organizational issues, including planning, finance, human resources and the development of a high level of effective corporate performance.

3. **Receiving Submissions from Individuals**

   Council receives and hears submissions from any person who, in the opinion of Council, has knowledge respecting any aspect of a corporation's activities regarding alleged failures by the corporation to comply with any Act or any policy of the Council.

1. ADVISORY/MONITORING ACTIVITIES

1.1 Meetings of Council

Individual Crown corporations appear before Council at Council's regular monthly Board meetings. This provides an opportunity for senior officials of each Crown corporation to describe strategic issues and their manner of dealing with them. Further, it provides Council members and senior management with the opportunity to closely examine the objectives and activities described. Problems and opportunities are identified and Council members' views can translate into ongoing Council staff work such as mandate and strategy reviews and other communicative interaction between Crown corporations and Council.

During the year, ten corporations met with Council. These meetings are listed in Appendix 11.

1.2 Mandate and Strategy Reviews

Mandate and Strategy Reviews of Crown corporations are conducted to assess various aspects of their operations. The issues considered during a particular review will vary from corporation to corporation and from time to time. The following eleven issues, programs and circumstances are most frequently included in a Mandate and Strategy Review of a Crown corporation:

- mandate and statement of purpose

ACTIVITIES

- corporate consistency with mandate and statement of purpose
- long term strategic plans
- current financial circumstances and capital expenditure proposals
- priorized current strategic issues of significance facing the corporation and management's approach to handling these issues
- organizational circumstances; effectiveness; staffing; administrative practices; succession plans
- regulatory aspects
- the organization's critical success factors
- market share; geographic scope; position in industry; research
- physical plant
- compliance with the Crown Corporations Public Review and Accountability Act

Mandate and Strategy Reviews of Manitoba Hazardous Waste Management Corporation, and A. E. McKenzie Co. Ltd. were completed during the year. These reviews identified that the mandates of these Crowns were appropriate as were their plans for dealing with strategic issues.

1.3 Review of Strategic Issues - All Crown Corporations

On January 25, 1991, Council reviewed analyses, prepared with the assistance of the Crowns, of strategic issues at all Crown corporations. The results of this review were communicated to the Minister of Finance.

1.4 Review of Capital Plans - All Crown Corporations

During the year, Council staff reviewed the 1991/92 capital plans of all Crown corporations and initiated a review of 1992/93 capital plans. The objectives of the review are to:

- provide overview commentary on the capital plans of the corporations to Government
- provide commentary with respect to Loan Act requirements of corporations

This work also encompasses an assessment as to whether inconsistencies exist between the capital plans and strategic directions.

1.5 Manitoba Hydro - Conawapa Generating Station

As a result of discussions in the Legislature and reports in the media of substantial reductions in the electricity load forecast of Manitoba Hydro, and the resulting impact that this reduced load would have on the timing of Conawapa Generating Station, Council staff investigated this matter at Manitoba Hydro.

ACTIVITIES

During the investigation, it was determined that in fact the current load forecast is reduced only marginally from the load forecast of the previous year. Although Manitoba Hydro has deferred the projected first power in service date of Conawapa from the year 2000 to 2001, this deferment is due to a number of factors of which the marginal reduction in the load forecast is relatively insignificant. Other factors include new targets for energy conservation which are now 285 megawatts of capacity and 500 gigawatt hours of energy savings by the year 2001; and based on the Limestone experience, the expectation that each Conawapa generating unit can be brought on line faster in order to meet the winter peak requirements in the first and second years of the plant's operation.

Council, in consequence, had no reason to dispute the conclusions and recommendations of The Public Utilities Board with respect to the major capital development plans of Manitoba Hydro. That is, Council continued to accept the conclusion that the development plan of Manitoba Hydro is the least cost option, that it will result in lower customer rates from 1996 to at least 2027 and that it provides the highest level of reliability and the lowest ratio of risk to benefits.

1.6 Manitoba Hazardous Waste Management Corporation (MHWMC)

1991 was a critical year for MHWMC in the development of a "system" to handle hazardous waste in Manitoba The overall system plan was completed and presented to the Government, inclusive of the business planning approach for its implementation. Shortly after year end, the site selection process for the "system's" major capital component, the central hazardous waste management facility, was completed.

The Council worked closely with MHWMC during the year and served to facilitate communication with Government. These efforts, together with the Corporation's other communication activities, have resulted in a clear understanding by Government of the directions being taken by MHWMC and the policy initiatives required to support the "system's" implementation.

1.7 Venture Manitoba Tours Ltd. - Strategic Plan

Council identified that Venture Manitoba Tours Ltd. required assistance in developing a strategic plan and realistic financial forecasts. As a result, Council staff worked with Venture management and Board members to assist them in developing a revised mandate and revising an initial strategic plan.

An ad hoc committee of the Board of Council was created to review the results of this work.

Venture's revised mandate is:

ACTIVITIES

"To continue to develop the Hecla Island Resort to become a major, self-sufficient, all-season conference and vacation centre that will provide job opportunities and financial benefit to the Interlake."

The key objectives of the operating plan of the Resort are to provide a high level of food service and guest activities, properly marketed to maintain average annual room occupancy levels at not less than 65%.

Council is of the view that the Resort will require ongoing support from the Consolidated Fund in order to continue operations. However, the strategic plan developed by Venture indicates that the cost to the Consolidated Fund will be minimized if the Resort is well maintained and the facilities are kept in such condition as to continue to attract clientele.

While the financial forecasts of Venture have proved to be optimistic, Council believes that the discipline of regularly updating the strategic plan and financial forecasts will enable Venture to improve its ability to plan and forecast. This will assist the Province in planning the level of financial support necessary from the Consolidated Fund to maintain the Resort in operation.

1.8 Communities Economic Development Fund (CEDF)

Council management advised Government to strengthen the accountability of CEDF by changing the way in which its lending activities are funded. In the past, CEDF had been funded on the basis of an interest free revolving fund. Collections on loans were allowed to be recycled into new loans without the need for further legislative authority.

Council management recommended that CEDF be funded through the loan act in a way which would require CEDF to justify its planned level of lending activity to Government on an annual basis and to pay interest at current rates on monies borrowed from the Consolidated Fund.

Government accepted this recommendation which was to be implemented effective April 1, 1992. Council staff provided ongoing assistance to CEDF as it prepared for the transition to this new method of financing.

1.9 Procedures for Recording Complaints

The Act requires each Crown corporation to maintain a record of all complaints received from members of the public. During 1991, Council management met with representatives of the Manitoba Hydro-Electric Board, the Manitoba Telephone System, the Manitoba Public Insurance Corporation and the Manitoba Liquor Control Commission to review their systems and procedures for handling complaints. This review indicated that appropriate systems are in place.

ACTIVITIES

1.10 Meetings of the Public Utilities Board

Hearings by the Public Utilities Board into rate applications by Crown corporations often serve to identify strategic issues facing the Crown. Council staff attended such hearings for Manitoba Hydro-Electric Board, Manitoba Telephone System and Manitoba Public Insurance Corporation during the year.

1.11 Meetings of Standing Committees of the Legislature

Members of the Legislature explore mandate and strategic issues with Crown corporations during meetings of Standing Committees. As a result, Council attends such meetings as a way of staying in touch with legislative concerns. Representatives of Council attended meetings at which the annual reports of the Manitoba Telephone System, Manitoba Public Insurance Corporation, Manitoba Mineral Resources Ltd. and Communities Economic Development Fund were reviewed.

2. RESOURCE ACTIVITIES

2.1 Crown Corporation Performance Measurement

Council's Act requires Council, in co-operation with each Crown, to facilitate the development of consistent and effective criteria for measuring corporate performance.

During the year, Council distributed a discussion paper on measuring corporate performance and began to analyze the responses. This will lead to policy and guideline development in 1992.

2.2 Manitoba Lotteries Foundation - Operational Review

This review was initiated by the Manitoba Lotteries Foundation to enable Lotteries to position itself to capitalize on several strategic opportunities facing it.

Council provided a representative to sit on the Operational Review Steering Committee and also arranged for a representative of the Information Technology Review Office to sit on the Steering Committee.

Council also provided a staff person to participate on the review team. This person concentrated on the areas of finance, administration and human resources, while providing input to the review team as a whole.

Council identified and arranged for a person in the Department of Justice with experience in managing technology change to be seconded to the project. His assignment was to review the issues surrounding the transfer of responsibilities from the Western Canada Lotteries Corporation to the Manitoba Lotteries Foundation.

As a result of Council's participation, external consulting involvement and fees for this project were reduced. The project was successfully completed during the year.

ACTIVITIES

The review identified significant opportunities to improve the operation and profitability of Lotteries through reorganization, a greater focus on marketing and product development and improved management information systems.

2.3 Communities Economic Development Fund (CEDF)- Fisherman's Loan Program

During the year, the Government announced its intention to transfer the Fisherman's Loan Program to CEDF from the Manitoba Agricultural Credit Corporation. A working committee was set up by the Minister responsible for CEDF to review the existing fisherman's loan program and portfolio and to develop recommendations for the transfer. Council's representative on this committee provided ongoing counsel and support to CEDF.

2.4 Assistance with Human Resource Issues

Council staff assisted two Crowns by providing advice, and direct assistance in the dismissal of senior managers. As a result of this assistance, the Crowns were able to take effective action to deal with performance problems in a constructive way for both the corporation and the individuals affected.

Council staff also assisted one Crown with recruiting a senior manager.

2.5 Policy Coordination

Council's mandate includes ensuring that there are consistent administrative practices among Crowns where appropriate.

Council produces a Policy Manual which provides guidance to Crowns in certain areas against which they can assess their own policies or which can be used to develop policies.

Some of the policies issued include:

- conflict of interest, Board members and Executive Officers
- purchasing and contracting goods and services
- appointment of external auditors
- mandate and strategic plans of Crown corporations - annual review and approach

2.6 CEO Compensation

With the assistance of independent third party expertise, Council developed recommended salary ranges for Crown corporation CEO's and provided these to the Compensation Committee of Cabinet.

Because of the significant fiscal constraints facing the Province, the Government declined to accept these ranges and imposed a 3% limit on increases granted CEO's.

ACTIVITIES

Council understands the need for restraint in CEO compensation. However, Council is also mindful of the need to maintain compensation at levels which enable Crowns to attract and retain qualified executives. Council will monitor this situation carefully with a view to developing further recommendations to Government as the need arises.

2.7 Wind up of two Crown Corporations

During the year, the Government announced the wind up of Channel Area Loggers Ltd. and the Manitoba Energy Authority (MEA). Council provided advice and counsel to officials of the Department of Northern Affairs with respect to Channel Area Loggers Ltd. and to officials of the MEA with respect to the wind up process. Assistance in finding alternative employment for laid off employees of MEA was included.

2.8 Review of Provincial Finances

On April 5, 1991, Council organized a meeting of all Chairs and Presidents and CEO's of Crown corporations. At this meeting, the Honourable Clayton Manness, Minister of Finance, reviewed the state of the Province's finances. The purpose of the meeting was to ensure that there was a common understanding among all Crowns as to the financial difficulties facing the Province in order that they may guide their strategic planning accordingly. At this meeting, the Minister confirmed wage and salary guidelines to which it was expected Crown corporations would adhere.

2.9 Assistance to Treasury Board Secretariat

Council seconded one of its analysts to Treasury Board for approximately five months. This assisted the Secretariat with the implementation of a new budgeting framework for central government. It also provided a benefit to Council in providing its staff with greater insight into central government priority setting mechanisms which will assist it in providing counsel to Crown corporations.

3. SUBMISSIONS FROM INDIVIDUALS

No submissions were received from individuals in 1991 respecting failures by Crowns to adhere to any Act or any policy of Council.

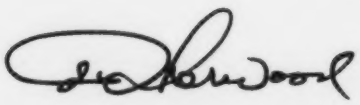
RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the Crown Corporations Council is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements have been prepared in conformity with accounting principles generally accepted in Canada and reviewed and approved by the Audit Committee of the Board of Directors and the Board of Directors. The statements have been examined by Ernst & Young, independent external auditors, whose opinion is included herein.

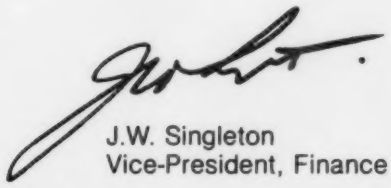
The preparation of the financial information contained in the annual report, necessarily involved the use of certain estimates and judgements which have been reached based on careful assessment of data available through the Council's information systems.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Council. Management maintains an appropriate system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements.

The Audit Committee of the Board of Directors meets periodically with financial officers of the Council and auditors. The auditors have free access to this committee, to discuss the results of their audit work and their opinion on the adequacy of internal financial controls and the quality of financial reporting.



J. Douglas Sherwood
President and Chief Executive Officer



J.W. Singleton
Vice-President, Finance

AUDITORS' REPORT

To the Members of
Crown Corporations Council:

We have audited the balance sheet of Crown Corporations Council as at December 31, 1991 and the statement of income and reserve reflecting net investment in capital assets for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 1991 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Ernst & Young

Winnipeg, Canada,
January 27, 1992

Ernst & Young,
Chartered Accountants.

BALANCE SHEET

DECEMBER 31, 1991

ASSETS

	1991	1990
	(in thousands of dollars)	
Current:		
Cash	$ 379	$ 251
Interest receivable	1	2
Accounts receivable	7	—
Prepaid expenses	11	12
	398	265
Fixed assets (note 4)	82	72
Deferred retirement allowance benefits	35	31
	$ 515	$ 368

LIABILITIES AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS

Current:		
Accounts payable and accrued liabilities	$ 111	$ 97
Due to Manitoba Crown corporations (note 3)	275	131
	386	228
Retirement allowance benefits payable	47	68
	433	296
Reserve reflecting net investment in capital assets	82	72
	$ 515	$ 368

Approved by the Board:

K. P. Kavanagh
Director
Chairman of the Board

Director

(see accompanying notes)

STATEMENT OF INCOME AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 1991

	1991	1990
	(in thousands of dollars)	
Income:		
Recoveries from corporations through levies	$ 906	$ 665
Interest	29	20
	935	685
Expenses:		
Salaries and benefits	612	429
Board remuneration and expenses	74	55
Executive search costs	68	
Rent	50	47
Professional fees	40	44
Office supplies and printing	20	18
Depreciation	20	13
Miscellaneous	14	7
Telephone and courier	11	12
Equipment rental and maintenance	10	7
Training and related travel	6	8
	925	640
Excess of income over expenses	10	45
Reserve reflecting net investment in capital assets, beginning of year	72	27
Reserve reflecting net investment in capital assets, end of year	$ 82	$ 72

(see accompanying notes)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1991

1. **Nature of Organization**

The Crown Corporations Council (the "Council") is a body corporate established on June 5, 1989 under the Crown Corporations Public Review and Accountability Act.

The mandate of the Council is to build justifiable public confidence in the effective planning, execution and control of activities of Manitoba Crown corporations ("Crown corporations").

2. **Significant accounting policies**

a) Recoveries of expenses from Crown corporations through levies

Operating expenses are recovered from the Crown corporations through the assessment of levies allocated on a pro rata basis determined by the gross revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred.

b) Deferred retirement allowance benefits

Retirement allowances are provided to certain qualifying employees. On the date which the employee qualifies for a retirement entitlement, the amount is recorded as a deferred charge and is amortized on a straight line basis over the expected service period of the employee.

c) Reserve reflecting the net investment in capital assets

The purchase of capital assets is funded through operating expense levies assessed to Crown corporations. The reserve reflects levies assessed to the Crown corporations with respect to the Council's net capital assets.

d) Fixed assets

Fixed assets are recorded at cost. Depreciation is provided on a straight line basis at a rate of 20%.

3. **Due to Manitoba Crown corporations**

	1991	1990
	(in thousands of dollars)	
Subsequent year levies received in advance	$ 133	$ 92
Past year levies repayable to corporations	142	39
	$ 275	$ 131

4. **Fixed assets**

These are comprised entirely of office furniture and equipment:

	1991	1990
	(in thousands of dollars)	
Cost	$ 116	$ 87
Accumulated depreciation	34	15
	$ 82	$ 72

5. **Pension costs and obligations**

Employees of the Council are provided pension benefits by the Civil Service Superannuation Fund ("the Fund"). Under paragraph 6 of the Civil Service Superannuation Act, the Council is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees' contributions to the Fund.

6. **Lease commitments**

The Council is committed under a premises lease expiring on April 30, 1995 to annual basic rental payments of approximately $30,000 and annual common area and operating costs of approximately $23,000.

7. **Statement of cash flows**

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.

APPENDIX 1

CROWN CORPORATIONS UNDER PURVIEW OF CROWN CORPORATIONS COUNCIL

DECEMBER 31, 1991

A.E. McKenzie Co. Ltd.

Communities Economic Development Fund

Manitoba Development Corporation

Manitoba Hazardous Waste Management Corporation

Manitoba Hydro-Electric Board

Manitoba Liquor Control Commission

*Manitoba Lotteries Foundation

Manitoba Mineral Resources Ltd.

Manitoba Public Insurance Corporation

Manitoba Telephone System

Moose Lake Loggers Ltd.

Venture Manitoba Tours Ltd.

Notes: Channel Area Loggers Ltd. was wound up effective April 1, 1991

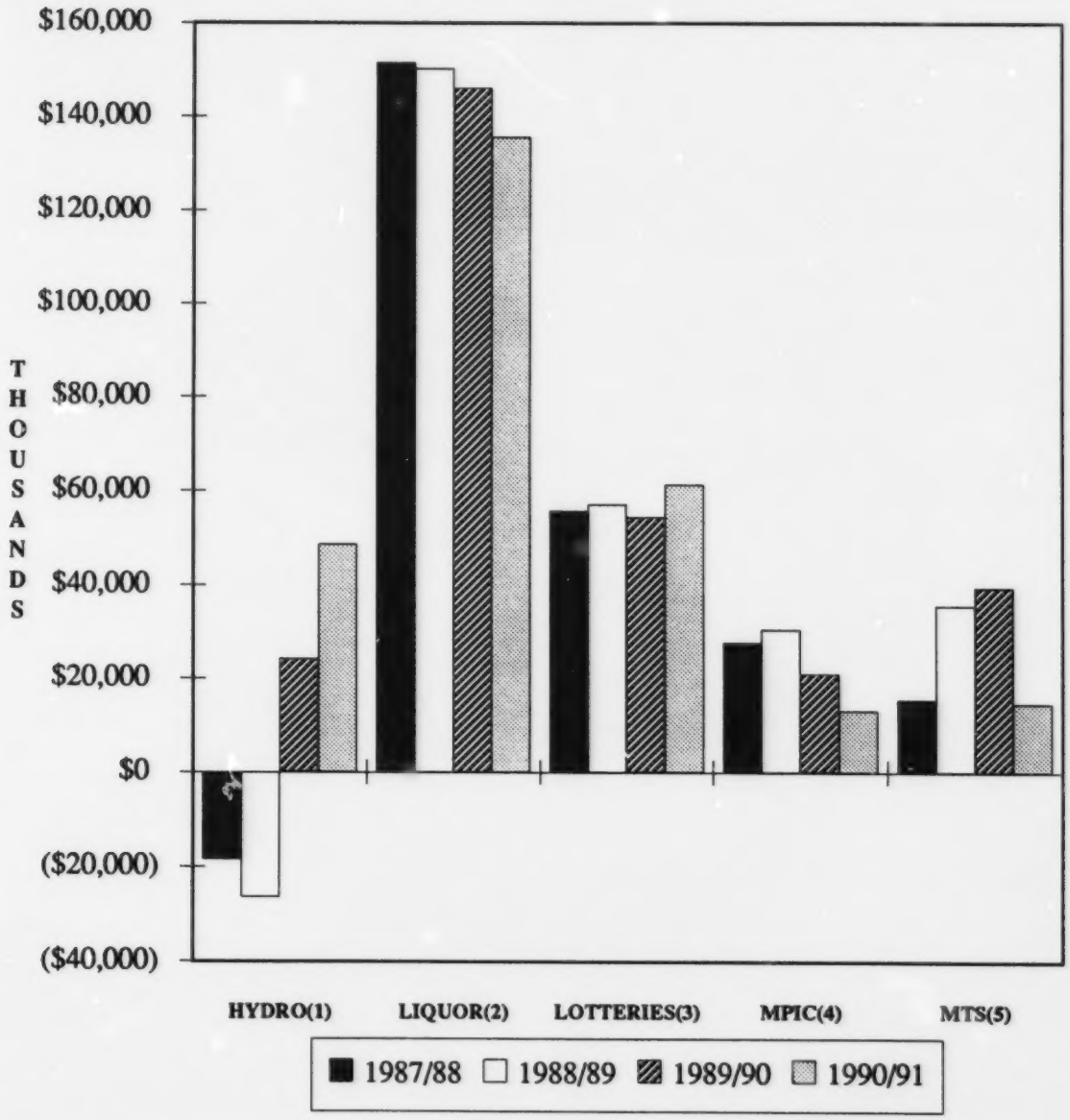
Manitoba Energy Authority was wound up effective August 19, 1991

*Manitoba Lotteries Foundation came under Council's purview on July 1, 1991

APPENDIX 2

CROWN CORPORATIONS NET INCOME (LOSS)
1988-1991

(CROWN CORPORATIONS AS SHOWN)

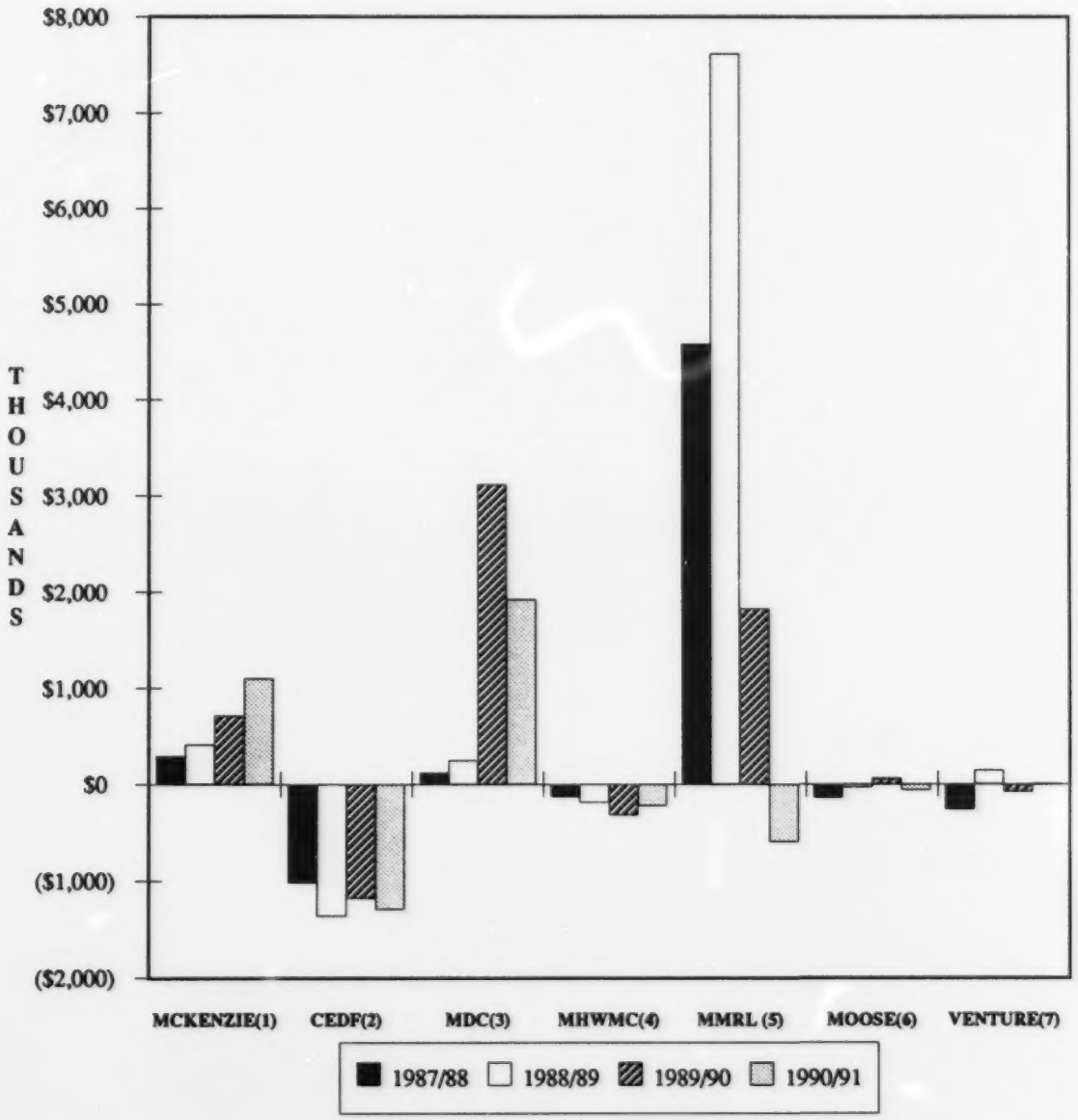


(1) Manitoba Hydro-Electric Board
(2) Manitoba Liquor Control Commission
(3) Manitoba Lotteries Foundation
(4) Manitoba Public Insurance Corporation
(5) Manitoba Telephone System

APPENDIX 3

CROWN CORPORATIONS NET INCOME (LOSS)
1988-1991

(CROWN CORPORATIONS AS SHOWN)



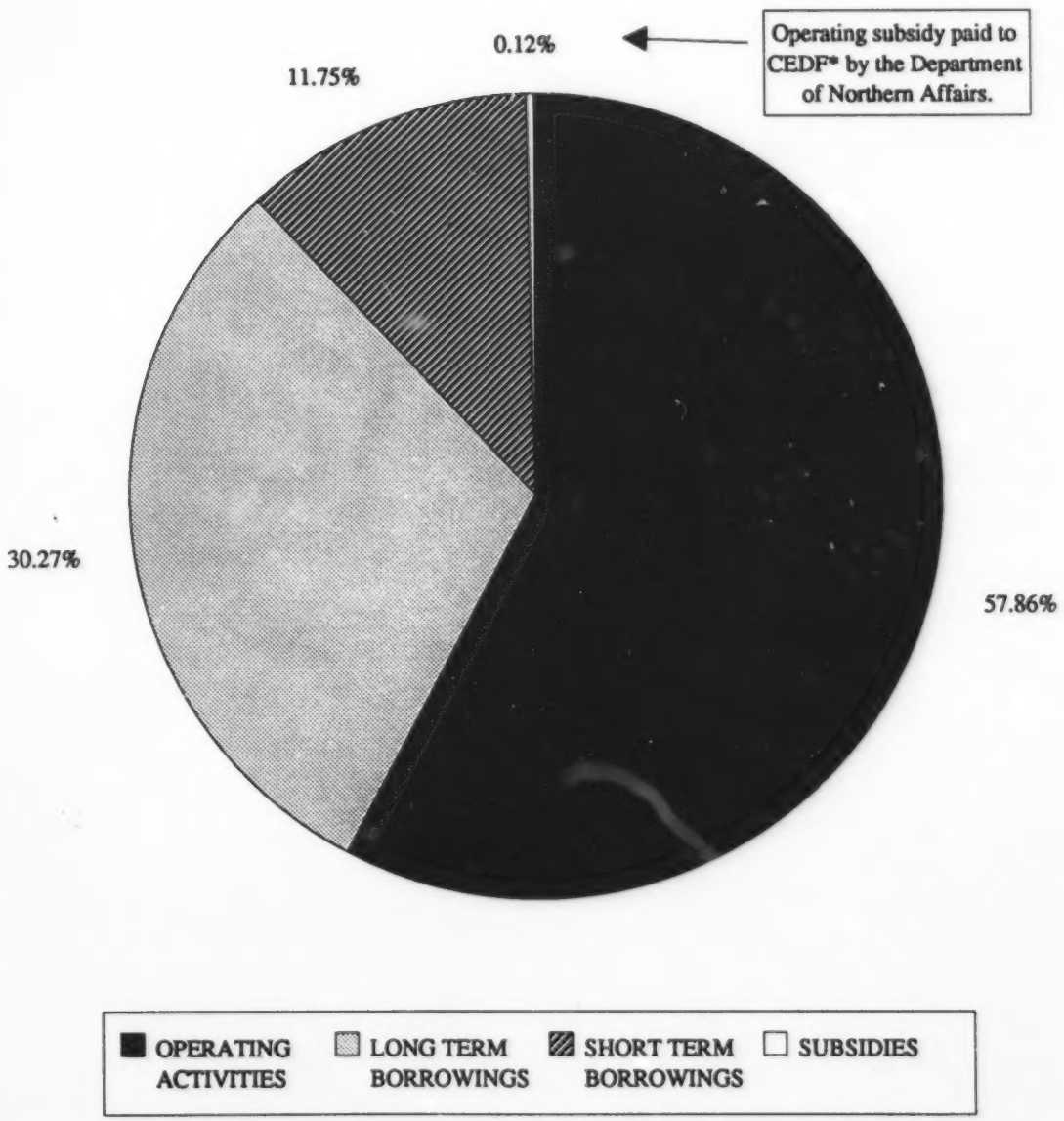
(1) A.E. McKenzie Co. Ltd.
(2) Communities Economic Development Fund *
(3) Manitoba Development Corporation
(4) Manitoba Hazardous Waste Management Corporation
(5) Manitoba Mineral Resources Ltd.
(6) Moose Lake Loggers Ltd.
(7) Venture Manitoba Tours Ltd. **

* Loss shown is before operating subsidy from Province
** Loss for the year ended March 31, 1991 amounted to $3 thousand

APPENDIX 4

CROWN CORPORATIONS SOURCE OF CASH
1991

(ALL CROWNS)

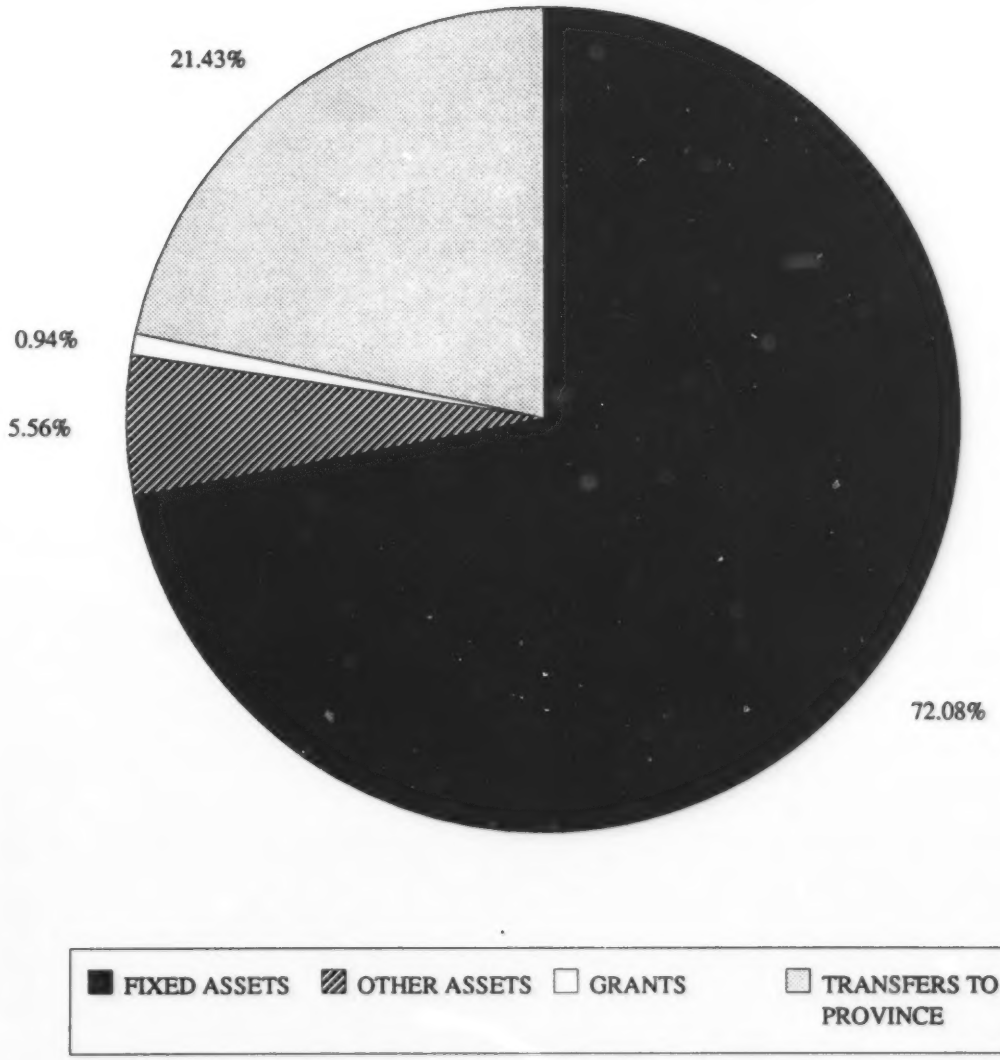


* Communities Economic Development Fund

APPENDIX 5

CROWN CORPORATIONS USE OF CASH
1991

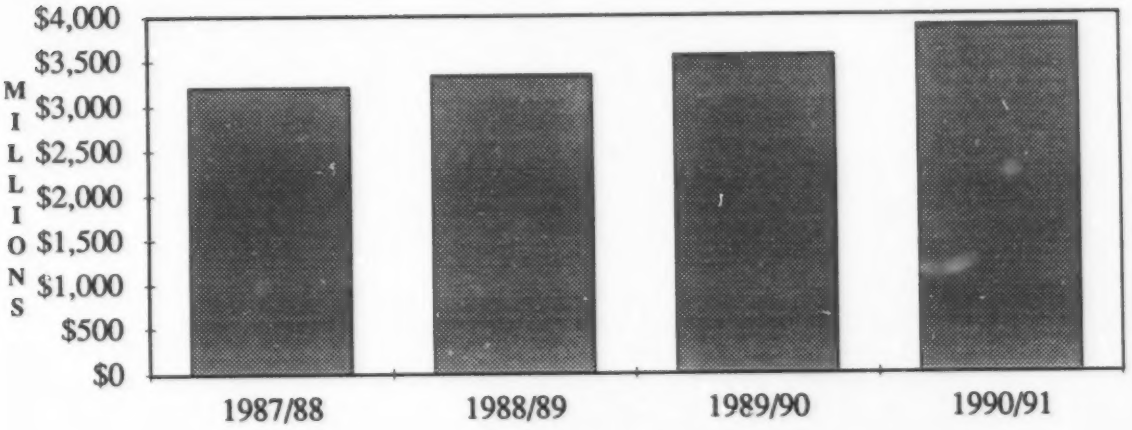
(ALL CROWNS)



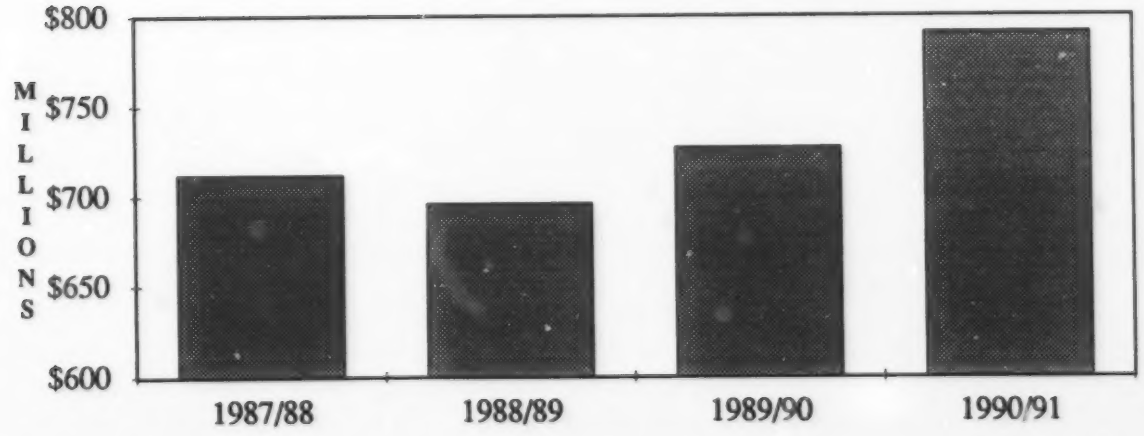
APPENDIX 6

CROWN CORPORATIONS
NET LONG TERM DEBT AT FISCAL YEAR END

Manitoba Hydro-Electric Board



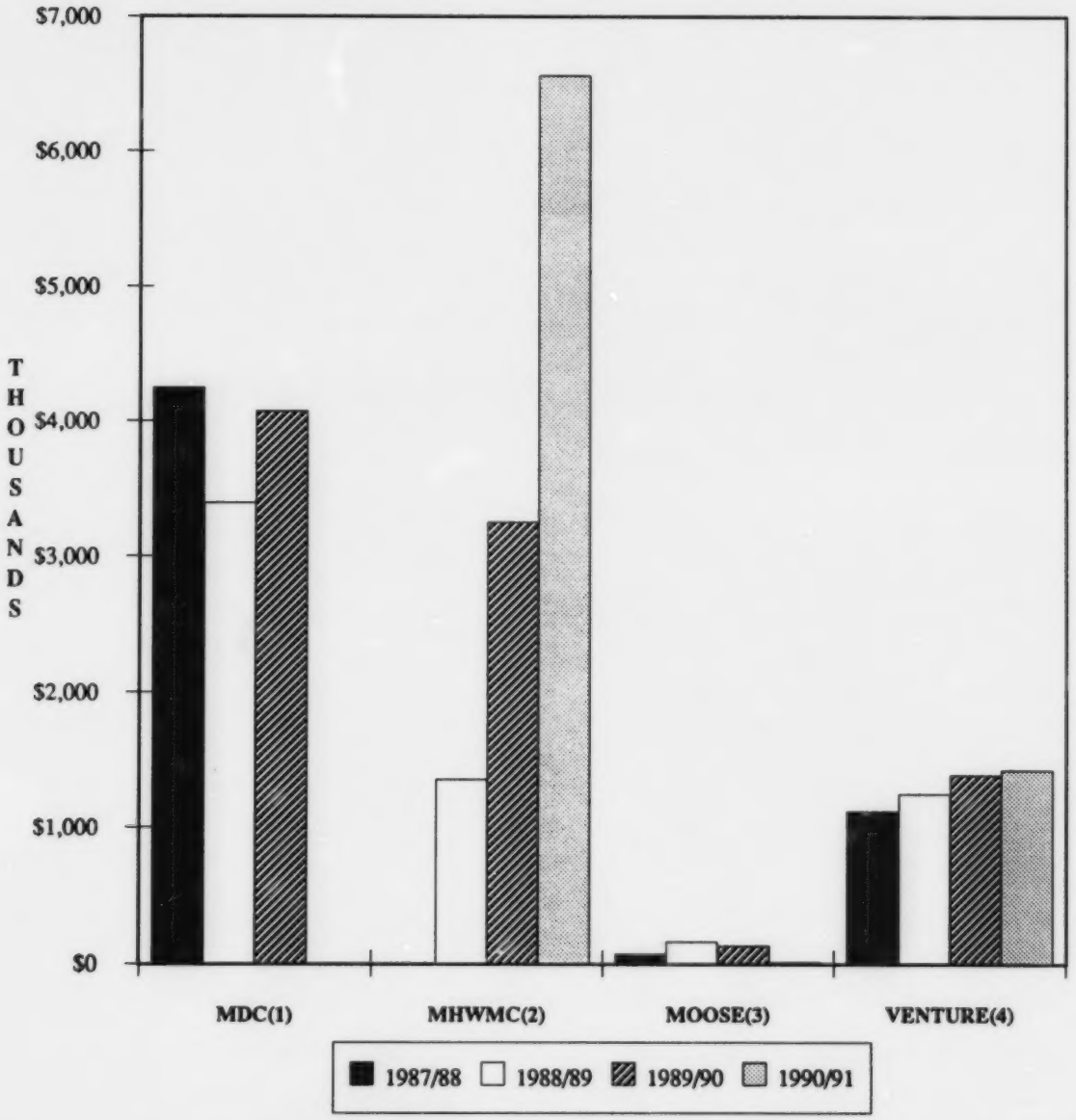
Manitoba Telephone System



APPENDIX 7

CROWN CORPORATIONS
NET LONG TERM DEBT AT FISCAL YEAR END

(CROWN CORPORATIONS AS SHOWN)



(1) Manitoba Development Corporation (Represents interest bearing advances from the Province; repaid as of March 31, 1991)
(2) Manitoba Hazardous Waste Management Corporation (Represents interest bearing advances from the Province; lending program started in the year ended December 31, 1989)
(3) Moose Lake Loggers Ltd. (Represents a bank line of credit guaranteed by the Province)
(4) Venture Manitoba Tours Ltd. (Represents a bank line of credit guaranteed by the Province)

COMPARATIVE FINANCIAL POSITIONS OF CROWN CORPORATIONS

FISCAL YEARS ENDING IN 1991

($000's)

		ASSETS				LIABILITIES & EQUITY				
CORPORATION	YEAR END	CURRENT	FIXED	OTHER	TOTAL	CURRENT	LONG TERM DEBT	OTHER	EQUITY	TOTAL
A.E. McKenzie Co. Ltd.	Oct. 31/91	9,360	1,225	685	11,270	3,167		266	7,817	11,270
Communities Economic Development Fund	Mar. 31/91	3,552	48	4,401	8,001	226		7,775		8,001
Manitoba Development Corporation	Mar. 31/91	460	21	34,373	34,854	149		29,414	5,291	34,854
Manitoba Hazardous Waste Management Corporation	Dec. 31/91	500	8,094		8,594	460	6,561		1,573	8,594
Manitoba Hydro-Electric Board	Mar. 31/91	543,115	4,266,939	396,017	5,206,071	793,310	3,884,719	362,907	165,135	5,206,071
Manitoba Liquor Control Commission	Mar. 31/91	19,040			19,040	14,540		4,500		19,040
Manitoba Lotteries Foundation	Mar. 31/91	9,837	8,080		17,917	7,488		1,748	8,681	17,917
Manitoba Mineral Resources Ltd.	Dec. 31/91	25,256	8,590	1	33,847	621		200	33,026	33,847
Manitoba Public Insurance Corporation										
– Auto	Oct. 31/91	177,337	24,131	514,340	715,808	132,150		439,042	49,467	620,659
– General	Oct. 31/91					13,935		71,000	10,214	95,149
Manitoba Telephone System	Dec. 31/91	131,027	997,205	233,428	1,361,660	157,619	790,788	236,156	177,097	1,361,660
Moose Lake Loggers Ltd.	Mar. 31/91	406	104		510	190			320	510
Venture Manitoba Tours Ltd.	Mar. 31/91	319	2,573		2,892	1,728			1,164	2,892
		920,209	**5,317,010**	**1,183,245**	**7,420,464**	**1,125,603**	**4,682,068**	**1,153,008**	**459,785**	**7,420,464**

Note: Channel Area Loggers Ltd. and Manitoba Energy Authority have been excluded from this analysis as they were wound up during the year.

COMPARATIVE ANNUAL OPERATING RESULTS OF CROWN CORPORATIONS

FISCAL YEARS ENDING IN 1991

($000's)

CORPORATION	YEAR END	OPERATING REVENUE	OTHER REVENUE	TOTAL REVENUE	OPERATING EXPENSES	INTEREST	TOTAL EXPENSE	NET INCOME
A.E. McKenzie Co. Ltd.	Oct. 31/91	18,788		18,788	17,569	122	17,691	1,097
Communities Economic Development Fund	Mar. 31/91	641	1,303*	1,944	1,944		1,944	
Manitoba Development Corporation	Mar. 31/91	2,930		2,930	564	444	1,008	1,922
Manitoba Hazardous Waste Management Corporation	Dec. 31/91	445		445	669		669	(224)
Manitoba Hydro-Electric Board	Mar. 31/91	702,499		702,499	397,362	256,577	653,939	48,560
Manitoba Liquor Control Commission	Mar. 31/91	355,393		355,393	219,834		219,834	135,559
Manitoba Lotteries Foundation	Mar. 31/91	174,721		174,721	113,455		113,455	61,266
Manitoba Mineral Resources Ltd.	Dec. 31/91	15,885		15,885	16,483		16,483	(598)
Manitoba Public Insurance Corporation								
– Auto	Oct. 31/91	380,348		380,348	372,207		372,207	8,141
– General	Oct. 31/91	24,782		24,782	19,743		19,743	5,039
Manitoba Telephone System	Dec. 31/91	566,069		566,069	462,648	88,779	551,427	14,642
Moose Lake Loggers Ltd.	Mar. 31/91	2,686	30*	2,716	2,783		2,783	(67)
Venture Manitoba Tours Ltd.	Mar. 31/91	3,423		3,423	3,265	161	3,426	(3)
		2,248,610	**1,333**	**2,249,943**	**1,628,526**	**346,083**	**1,974,609**	**275,334**

Note: Channel Area Loggers Ltd. and Manitoba Energy Authority have been excluded from this analysis as they were wound up during the year.
*Represents income received from the Province of Manitoba.

COMPARATIVE ANNUAL CASH FLOW OF CROWN CORPORATIONS

FISCAL YEARS ENDING IN 1991

($000's)

CORPORATION	YEAR END	OPERATING ACTIVITIES	FINANCING ACTIVITIES			INVESTING ACTIVITIES		TRANSFER TO PROVINCE	GRANTS	INCREASE (DECREASE)	CASH, BEGINNING OF YEAR	CASH, END OF YEAR
			LONG TERM	SHORT TERM	SUBSIDY	FIXED ASSETS	OTHER					
A.E. McKenzie Co. Ltd.	Oct. 31/91	1,810	(265)			(339)	(387)			819	1,691	2,510
Communities Economic Development Fund	Mar. 31/91	(830)			1,303	(23)				450	2,375	2,825
Manitoba Development Corporation	Mar. 31/91	(5,523)		5,613		7				97	104	201
Manitoba Hazardous Waste Management Corporation	Dec. 31/91	(229)	3,311			(2,896)				186	41	227
Manitoba Hydro-Electric Board	Mar. 31/91	158,189	315,381	119,492		(440,173)	(5,292)			147,597	73,823	221,420
Manitoba Liquor Control Commission	Mar. 31/91	138,573				(1,483)		(135,991)		1,099	2,596	3,695
Manitoba Lotteries Foundation	Mar. 31/91	63,704				(1,112)		(55,928)	(8,394)	(1,730)	7,700	5,970
Manitoba Mineral Resources Ltd.	Dec. 31/91	(180)				10				(170)	20,455	20,285
Manitoba Public Insurance Corporation	Oct. 31/91	75,312	(62,206)			(6,228)	(873)			6,005	81,544	87,549
Manitoba Telephone System	Dec. 31/91	183,104	64,798			(193,189)	(43,228)			11,485	(4,249)	7,236
Moose Lake Loggers Ltd.	Mar. 31/91	304				(91)				213	(187)	26
Venture Manitoba Tours Ltd.	Mar. 31/91	94		38		(131)				1		1
		614,328	**321,019**	**125,143**	**1,303**	**(645,648)**	**(49,780)**	**(191,919)**	**(8,394)**	**166,052**	**185,893**	**351,945**

Note: Channel Area Loggers Ltd. and Manitoba Energy Authority have been excluded from this analysis as they were wound up during the year.

APPENDIX 11

LIST OF CROWN CORPORATION MEETINGS WITH THE BOARD OF COUNCIL

Manitoba Liquor Control Commission — February 8, 1991

Presentation was made by:

Chair	Charles Birt
President and CEO	Derek Smith
Vice-President, Finance	Al Ahoff

Manitoba Hazardous Waste Management Corporation — March 8, 1991

Presentation was made by:

Chair	Donald Vernon
President and CEO	Rick Cooke

The Manitoba Hydro-Electric Board — April 16, 1991 and November 8, 1991

Presentation was made by:

Chair	John McCallum
President and CEO	Robert Brennan
Executive Vice-President	Ralph Lambert

Manitoba Public Insurance Corporation — May 10, 1991

Presentation was made by:

Chair	Donald Penny
President and CEO	Walter Bardua
Vice-President, Insurance Operations and Assistant General Manager	David Kidd
Vice-President, Finance and Administration	Barry Galenzoski

APPENDIX 11

LIST OF CROWN CORPORATION MEETINGS WITH THE BOARD OF COUNCIL

Manitoba Mineral Resources Ltd. — June 14, 1991

Presentation was made by:

Chair	James Clarke
President	Malcolm Wright
Controller	Cyril Vickers

Manitoba Lotteries Foundation — July 12, 1991

Presentation was made by:

General Manager	William Funk

Communities Economic Development Fund — September 13, 1991

Presentation was made by:

Chair	Harold Westdal
General Manager	Loretta Clarke
Manager of Finance	Rein Roelofs

Moose Lake Loggers Ltd. — October 11, 1991

Presentation was made by:

Secretary Treasurer	Gordon Trithart

A.E. McKenzie Co. Ltd. — October 11, 1991

Presentation was made by:

Chair	Dale Smeltz
President & CEO	Raymond West
Vice President, Finance	Ken Robinson

APPENDIX 11

LIST OF CROWN CORPORATION MEETINGS WITH THE BOARD OF COUNCIL

Manitoba Telephone System December 13, 1991

Presentation was made by:

Chair	Tom Stefanson
Board member	Sam Schellenberg
President & CEO	Oz Pedde
Vice President, Finance	Bill Fraser